



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: September 19, 2022

Re: Supplemental Information: Amending Chapter 27 of the City Code as it relates to water rates

Executive Summary

Staff has prepared for Council consideration an amendment proposed by City Council at the September 6, 2022 council meeting related to rates charged by the water utility.

Discussion

City Council proposed an amendment to B217-22 during the September 6, 2022 council meeting to increase the base rate by \$2.00 and the tier rates by \$0.24 per hundred cubic foot (ccf). Three additional scenarios for water rate increases were shared with Council one scenario was titled "\$2.00 Base, \$0.24 Tier Increase", the proposed amendments to Chapter 27 of the City Code include all the proposed changes in this scenario, including changes to commercial base rates and tier rates. The changes are summarized below:

Chapter 27 proposed amendment: Chapter 27 of the City Code governs the charges paid by customers of the water utility. The following revenue increases are being proposed by City Council for FY 2023.

- \$2 increase in residential base fees
- Increase in commercial base fees based on residential equivalent (detail below)
- \$0.24 increase in residential tier 1
- \$0.24 increase in tier 2 and tier 3
- \$0.24 increase in Airport
- \$0.40 increase in Commercial tier 1

Included below is a list of sections proposed to be changed and the changes.

Sec. 27-122(a) (1) - Water rates inside city limits – residential/commercial multiple-family facilities:

Rates per one hundred (100) cubic feet (1 ccf), inside city limits:

- All water, beginning with first one hundred (100) cubic feet (1 ccf) from \$2.86 to \$3.10
- Summer water usage for residential customers, except commercial multiple-family facilities and multiple commercial facilities served through a single meter



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- Usage of zero (0) to seventy (70) percent of winter average consumption from \$2.86 to \$3.10
 - Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.01 to \$4.25
 - Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.02 to \$6.26
- Summer water usage for commercial multiple-family facilities and multiple commercial facilities served through a single meter:
 - Usage of zero (0) to seventy (70) percent of winter average consumption from \$2.86 to \$3.10
 - Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.01 to \$4.25
 - Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.02 to \$6.26

Sec. 27-122 (a)(2) – Minimum charge per month based on meter size will be increased to the following:

- 5/8 inch and ¾ inch from \$10.00 to \$12.00
- 1 inch from \$14.38 to \$19.38
- 1 ½ inch from \$28.96 to \$38.96
- 2 inch from \$43.05 to \$59.05
- 3 inch from \$150.68 to \$182.68
- 4 inch from \$333.13 to \$383.13
- 6 inch from \$717.50 to \$817.50

Sec. 27-122 (b) –For water service metered separately for lawn irrigation:

- Rates per one hundred (100) cubic feet (1 ccf):
 - Non-summer water usage from \$2.86 to \$3.10
 - Summer water usage from \$6.02 to \$6.26

Sec. 27-122.1(a)(1) – Commercial:

Rates per one hundred (100) cubic feet (1 ccf), inside city limits:

- All water, beginning with first one hundred (100) cubic feet (1 ccf) from \$2.70 to \$3.10

Summer water usage:

- Usage of zero (0) to seventy (70) percent of winter average consumption from \$2.70 to \$3.10
- Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.01 to \$4.25
- Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.02 to \$6.26



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Sec. 27-122.1(a)(2) – Minimum charge per month based on meter size will be increased to the following:

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- 2 inch from \$43.05 to \$59.05
- 3 inch from \$150.68 to \$182.68
- 4 inch from \$333.13 to \$383.13
- 6 inch from \$717.50 to \$817.50

Sec. 27-122.1 (b) –For water service metered separately for lawn irrigation:

- Rates per one hundred (100) cubic feet (1 ccf):
 - Non-summer water usage from \$2.70 to \$3.10
 - Summer water usage from \$6.02 to \$6.26

Sec. 27-122.2(a)(1) – Large commercial:

Rates per one hundred (100) cubic feet (1 ccf), inside city limits:

- All water, beginning with first one hundred (100) cubic feet (1 ccf) from \$2.70 to \$3.10

Summer water usage:

- Usage of zero (0) to seventy (70) percent of winter average consumption from \$2.70 to \$3.10
- Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.01 to \$4.25
- Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.02 to \$6.26

Sec. 27-122.2(a)(2) - Minimum charge per month based on meter size will be increased to the following:

- 1 inch from \$14.38 to \$19.38
- 1 ½ inch from \$28.96 to \$38.96
- 2 inch from \$43.05 to \$59.05
- 3 inch from \$150.68 to \$182.68
- 4 inch from \$333.13 to \$383.13
- 6 inch from \$717.50 to \$817.50
- 8 inch from \$1,230.00 to \$1,353.00

Sec. 27-123.3 (a)(1) – Columbia Regional Airport:

Rates per one hundred (100) cubic feet (1 ccf), Columbia Regional Airport:

- All water, beginning with first one hundred (100) cubic feet (1 ccf) from \$4.217 to \$4.46



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The proposed amendment increases will generate an estimated \$2.45 million in additional revenues.

The tier structure increases would be effective October 1, 2022. The residential and commercial base fee increases will go into effect with the first billing cycle after the sale of the remaining water bonds.

In addition, the proposal presented to City Council included a plan to increase the residential and commercial tiers 2% for the following (4) four years through FY 2027.

Fiscal Impact

Short-Term Impact: Estimated \$2.45 million in additional revenues by increasing base fees \$2 for residential customers, commercial base fees based on residential equivalent, \$0.24 for residential tier 1, tier 2, tier 3 and Airport and \$0.40 increase in commercial tier 1

Long-Term Impact: Plan to increase residential and commercial tiers by 2% annually from FY 2024 through FY 2027

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Reliable Infrastructure, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

[Comprehensive Plan Impacts:](#)

Primary Impact: Infrastructure, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

| Date | Action |
|------------|---|
| 9/7/2021 | B244-21 Staff recommended this item be withdrawn |
| 8/02/2021 | B244-21 Proposed amendments to Chapter 27 of the City Codes as it relates to water utility rates |
| 01/22/2019 | PH1-19 Proposed amendments to Chapter 27 of the City Codes as it relates to water rates |
| 12/17/2018 | R199-18 Setting a public hearing: proposed amendments to Chapter 27 of the City Code as it relates to water rates |
| 09/04/2018 | R133-18 Declaring the results of the special election held on August 7, 2018 |



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05/21/2018

B93-18 Calling a special election on Tuesday, August 7, 2018 relating to the issuance of Water and Electric System Revenue Bonds

Suggested Council Action

Approval of the City Council amendment to Chapter 27 of the City Code and making the tier rate structures effective October 1, 2022. The residential and commercial base fee increases effective with the first billing cycle after the sale of the remaining water bonds.